INITIAL ENVIRONMENTAL EXAMINATION ASIA 13-44

Program/Activity Data:

Country:	Pacific Islands Regional
Objective:	Provide small grants for pilot adaptation measures of non-governmental organizations and enterprises in order to reduce climate-change related vulnerabilities and build climate resilience in Pacific Island communities.
Activity Name:	Pacific-American Climate Fund
Funding Period:	2012-2017
LOP Amount:	$25 million
IEE Prepared by:	Michelle Wittenberger (mwittenberger@usaid.gov)
Date:	February 19, 2013
IEE Amendment (Y/N)	N **Date of original IEE:** N/A

Environmental Action Recommended:

Categorical Exclusion:	[X]	Deferral:	[ ]
Positive Determination:	[ ]	Negative Determination:	[X]
With Conditions:	[X]	Exemption:	[ ]

1. BACKGROUND AND ACTIVITY DESCRIPTION

1.1.Purpose and Scope of IEE

The purpose of this IEE, in accordance with 22CFR216, is to provide the first review of the reasonably foreseeable effects on the environment, as well as recommend Threshold Decisions for the activities under Pacific-American Climate Fund project. This IEE provides a brief statement of the factual basis for a Threshold Decision as to whether an Environmental Assessment or an Environmental Impact Statement is required for the activities managed under this program.

1.2.Background

The Pacific-American Climate Fund will provide USAID a platform to build the resiliency of vulnerable coastal communities to adapt to the negative impacts of climate change in the Pacific region. The Pacific American Climate Fund will contribute to the Development Objective under the USAID/Pacific Islands draft Country Development Cooperation Strategy: "Negative Impacts of Climate Change Addressed". Specifically, this activity seeks to achieve Intermediate Result (IR) 1.1: "Resilience in Communities Strengthened", by focusing on implementation of adaptation measures that benefit Pacific communities. Pacific-American Climate Fund sub-grant activities will target civil society entities (enterprises and organizations).

Adaptive capacity across the Pacific is low, both at national and local levels. Services and capacities are especially weak at the community level. The region exhibits an inability to deal with the negative impacts of climate change due in part to strained central budgets, a lack of access to adaptive technologies, limited provision of services such a freshwater and solid waste

management, while most non-governmental organizations exhibit a weak technical capacity to access, monitor, and manage donor funds. Furthermore, Pacific island nations face significant non-climate change-related challenges, including population growth, low education levels, growing poverty and unemployment rates, gender inequality, gender based violence, rapid and unplanned urbanization, weak infrastructure and political instability. These capacity gaps and non-climate stressors factor into community's climate change adaptive strategies.

While climate change exposure and sensitivity are generally high and capacity generally low, there is significant variation across the islands. The high volcanic islands (PNG, Solomon Islands, Vanuatu, and Fiji) benefit from relatively fertile soils and freshwater access, making agriculture and water more resilient than low lying atolls lying only a few meters above sea level (Marshal Islands, Tuvalu, Kiribati). Atoll islands' poor soils and limited surface and ground water resources are exceptionally exposed and sensitive to tidal flooding and sea level rise.

The Pacific-American Climate Fund will provide USAID a way to strengthen the resilience of Pacific Island communities to adapt to the negative impacts of climate change. By creating a grant-making facility that provides small and medium-sized grants to local, qualifying recipients (sub-grantees), through a local and competitive process, the Pacific-American Climate Fund will support adaptation interventions that: reduce climate change vulnerabilities, strengthen the organizational capacity of local partners, and ensures community-buy-in and sustainability of proven adaption interventions.

1.3.Description of Activities

1.3.1. Objective and Results

The goal of the Pacific-American Climate Fund activity is to provide USAID a platform to build the resiliency of vulnerable coastal communities to adapt to the negative impacts of climate change in the Pacific region.

The successful Offeror will establish a grant-making facility that will establish, manage, and administer grants to civil society on behalf of USAID. The Contractor will fulfill a range of grant-making and administrative functions. The Pacific-American Climate Fund encompasses four outputs for the Contractor:

1. Establish a grant-making facility that will fund proposals for adaptation measures to qualifying recipients in civil society (i.e. sub-grantees) through an open and competitive process.
2. Manage and administer the grant facility on behalf of USAID. Grant administration and management entails preparing and issuing solicitations, reviewing and pre-screening proposals, awarding grants, monitoring and evaluating grant performance, monitoring and auditing financial reports, ensuring due diligence and compliance of USAID rules and regulations, closing out grants, and reporting to USAID, among other tasks.
3. Provide, or administer grants that provide, managerial and financial capacity-building support to sub-grantees to ensure proper stewardship of funds and improve organizational capacity of local, civil society partners. Illustrative examples of managerial and financial capacity building include strengthening financial management and internal controls, tracking pipelines, training in conducting financial checks and audits, processing reimbursements, human resource organization, management, and grant proposal writing. It is estimated that

roughly 8% of the budget will be for these types of assistance grants.

4. Capture and disseminate best practices, and lessons learned at the community level to all stakeholders, including neighboring communities, other donors, host governments, and USAID. Communication and outreach to companion communities can promote community buy-in, scale-up, and increased adoption of proven adaptation measures, including new technologies or best practices. Success stories will also be used for U.S. Government (USG) publications such as the USAID Impact Blog, The Pacific Islands Newsletter, US press releases, among other USG outlets.

Individual sub-grants are expected to range from $25,000 USD to $3 million USD for qualified sub-grant recipients. USAID will chair the proposal selection committee. The Pacific-American Climate Fund grant-making facility carries a total estimated budget of $25 million – subject to the availability of funds – over a five-year grant-making and disbursement period. Sub-granting could occur in any of 12 Pacific nations covered by The USAID Office of the Pacific Islands including: Fiji, Kiribati, Palau, Federated States of Micronesia, Marshall Islands, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu & Vanuatu.

Specific targets will be proposed by the implementer and negotiated at the time of the award.

1.3.2. Activities

The anticipated PACFIC activities are shown in Table 1.

Table 1. PHILIPPINE-AMERICAN FUND Project Key Activities.

Key area	Activities
Establish a Grant-Making Facility	Design a grant-making facility including a strategy and workplan for grant-making that will accomplish goals and objectives of the activity.
	Develop and establish a process by which grant concepts are developed, reviewed by USAID, structured into a solicitation, publicized, submitted and evaluated.
	Design a strategy for grant management including administrative and financial oversight, activity monitoring, reporting to USAID, oversight of branding and marking and all publicity materials or events, and closure or termination of grants.
Administer Grants on Behalf of USAID	Issue solicitations and do wide promotion and publicity in order to garner sufficient responses. Conduct technical and financial evaluations of proposals. Prepare pre-screened, pre-selected applications/applicants for USAID review and according to USAID guidance.
	Issue awards to winning applicants, employing standard procedures for contractual and financial transactions and agreements, as determined by the Offeror.
Provide Financial Capacity-Building Assistance to Sub-grantees	Provide financial and organizational capacity-building support to sub-grantees to ensure proper stewardship of funds, improve organizational capacity of local partners, and support aid effectiveness.
Capture and Disseminate Lessons Learned	Develop a communication strategy to disseminate lessons learned at the community level to all stakeholders, including national governments and neighboring local communities.
	Provide Success Stories to USAID to be used in the Pacific Islands Newsletter,

Key area	Activities
	The USAID Impact blog, Embassy communications, and other USG outlets.

The Pacific-American Climate Fund activity, by virtue of its grant-making function, may support grantees that purchase small commodities for business start-up, such as agriculture or aquaculture inputs; small-scale agricultural or motorized equipment for farming, irrigation, or transport; or small-scale manufacturing or processing equipment. Sub-grants are not expected to support erection of infrastructure.

COUNTRY AND ENVIRONMENTAL INFORMATION (BASELINE INFORMATION)

2.1 Locations Affected

Pacific-American Climate Fund sub-granting could occur in any of 12 Pacific nations covered by The USAID Office of the Pacific Islands including: Fiji, Kiribati, Palau, Federated States of Micronesia, Marshall Islands, Nauru, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu & Vanuatu. USAID/Pacific Islands recognizing that with limited resources there remains a need to ensure benefit is felt throughout the region from U.S. development assistance.

2.2 National Environmental Policies and Procedures (of host country both for environmental assessment and pertaining to the sector)

The Pacific-American Climate Fund will be implemented in up to twelve Pacific Island countries including Papua New Guinea, Solomon Islands, Marshall Islands, Tuvalu, Vanuatu, Kiribati, Fiji, Samoa, Tonga, Republic of Marshall Islands, Federated States of Micronesia, and Palau. The Awardee is required to follow all host country regulations, and shall use or reference use of existing USAID guidance including: Environmental Issues and Best Practices for Small-Scale Infrastructure; Environmental Guidelines for Small-Scale Activities and IFC EHS Guidelines and other applicable international best practice acceptable to USAID on important matters such as battery disposal and waste management that meets or exceeds local laws and regulations. No activities associated with the Pacific-American Climate Fund are expected to result in construction beyond the footprint of existing structures, and are not expected to have significant impact on the environment, such as those activities detailed under CFR 216.2 (d) (1). National environmental laws and baseline information in the countries covered at various levels, greater detail may be found in Annex 1[1].

3. EVALUATION OF ACTIVITY/PROGRAM ISSUES WITH RESPECT TO ENVIRONMENTAL IMPACT POTENTIAL

The activities described under this Initial Environmental Examination are potential areas of assistance to be implemented by sub grantees of the Pacific-American Climate Fund.

[1] Annex 1 is composed of information from a compendium of open sources, including, the Asian Development Bank, World Bank, and independent consultants.

A **Categorical Exclusion** (approximately 55 to 70% of all funding) is recommended for the following activities except to the extent that the activities directly affect the environment, pursuant to:

a) CFR 216.2(c)(2)(i), for activities involving education, technical assistance or training programs;
b) CFR 216.2(c)(2)(ii), for activities involving controlled experimentation exclusively for the purpose of research and field evaluation which are confined to small areas and carefully monitored;
c) CFR 216.2(c)(2)(iii), for activities involving analyses, studies, academic or research workshops and meetings; and
d) CFR 216.2(c)(2)(v), for activities involving document and information transfers.

A determination of categorical exclusion notwithstanding, the Mission Environmental Officer and Deputy Mission Environmental Officer are expected to provide advice on and/or inputs to the scope of the assessments, trainings, and related activities as identified in the table below.

Key elements of program / activities	Threshold determination and CFR 216 citation
1. Design and development of grant-making facility, including all aspects of grant-management administration and financial oversight.	Categorical exclusion CFR 216.2(c)(2)(iii)
2. Sub-grants or portions of sub-grants that provide technical assistance, training and information transfer in organizational, managerial and financial capacity building of local and community-based organizations.	Categorical exclusion CFR 216.2(c)(2)(i) CFR 216.2(c)(2)(iii) CFR 216.2(c)(2)(v)
3. Except to the extent such programs include activities directly affecting the environment, sub-grants providing technical assistance, controlled experimentation, training and information supporting a) coastal zone management, b) water resource management, c) disaster risk reduction, and d) agricultural and fisheries systems e) communication and public awareness of proven interventions that reduce climate-related vulnerabilities	Categorical exclusion CFR 216.2(c)(2)(i) CFR 216.2(c)(2)(ii), CFR 216.2(c)(2)(iii) CFR 216.2(c)(2)(v)

A **Negative Determination with Conditions** (estimated at approximately 30 to 45% of all funding) is recommended for the following potential sub grant activities pursuant to 22 CFR 216.3 (a)(2)(iii). The majority of these sub-awards are envisioned to be small scale, with average grants varying from $25,000-$500,000.

Sub-grant activities involving small-scale **natural resource regeneration or conservation** actions such as reforestation, mangrove restoration, reef restoration, forest and marine conservation, and setback efforts are classified as low environmental risk activities with no significant environmental impact but will require adequate mitigation. These activities may have negative consequences if environmental considerations are not factored into the design. In particular, site-specific ecology should be considered under restoration activities. Therefore a **Negative Determination with Conditions** is recommended for these activities pursuant to 22 CFR 216.3 (a)(2)(iii). (estimated at approximately 5 to 15% of all funding).

It is possible that subgrant activities will support small-scale agricultural practices, soil management techniques, crop management, near-shore fisheries and aqualcuture, marine breeding and restocking, or the purchase and/or use of small commodities such as agricultural and fishery inputs such as small-scale agricultural or other motorized equipment for farming, irrigation or transport; and/or equipment for manufacturing or processing. Such activities may have negative consequences on the environment if environmental considerations are not included in the activity design and project monitoring phases. For example, poor project design of such activities could result in increased soil erosion, agricultural runoff, or improper disposal of organic and/or inorganic waste resulting in environmental contamination. In marine fisheries, and aquaculture, care must be taken to prevent adverse effects including introduction of noxious or invasive species, loss of native stocks, transmission of disease, predation and competition of native species, and degradation to native habitats. A **Negative Determination with conditions** is recommended for all **agriculture and fisheries activities, or other activities involving machinery or activities with physical impacts** on the environment subject to the **conditions** that are recommended pursuant to 22 CFR 216.3 (a)(2)(iii), and all proposals involving the above mentioned activities will require MEO clearance prior to award (estimated at approximately 5 to 15% of all funding).

It is possible that sub-grant activities will support small-scale tourism and nature-based tourism activities that impact coastal communities. Such activities may have negative environmental consequences on the environment if not considered. For example, poor project design could lead to increases of human populations which could cause increases in pollution, ususstainable consumption of natural resources, unplanned development, disruption of feeding and nesting wildlife sites, soil compaction, and other forms of environmental degradation. A **Negative Determination with conditions** is recommended for all **tourism and ecotourism activities** on the environment subject to the **conditions** that is recommended pursuant to 22 CFR 216.3 (a)(2)(iii) and all proposals involving the above mentioned activities will require MEO clearance prior to award (estimated at approximately 5 to 15% of all funding).

Activities that may involve water resource management including measures that support freshwater access and rainwater harvesting are classified as low environmental risk activities with no significant environmental impact but will require adequate mitigation. These activities are recommended for **Negative Determination with conditions.** (estimated at approximately 5 to 15% of all funding).

Those interventions receiving negative determinations and negative determinations with conditions are listed in Table 4. The interventions are grouped by key activity and include a brief description of the intervention as well as its associated risk classification.

Descriptions and Risk Classifications for Key Activity Interventions

Interventions	Brief Description	Risk Classification and Determination
Key Activity: Natural Resource Conservation or Restoration		

Interventions	Brief Description	Risk Classification and Determination
Mangrove, forest and marine conservation	Conservation of mangroves, upland forest and marine ecosystems is a cost-effective and long-term strategy to defend coastal communities against the negative impacts of climate change. These ecosystems act as a natural defense against wave energy, erosion, and the impacts of storms and tsunamis.	Low Risk and Negative with Conditions
Mangrove, forest and reef restoration	Mangrove, forest, and reef restoration is the regeneration of these ecosystems in areas where they have previously existed. Site-specific ecology and environmental factors should be considered in the design phase of these activities.	Low Risk and Negative Determination with Conditions
Key Activity: Agriculture, fisheries, or other activities involving small-scale agricultural machinery for transport or irrigation or activities with physical impact		
Use of agricultural machinery or installation of small-scale irrigation systems	Use of agricultural machinery can have environmental impact if fuels or oil are not carefully handled or stored and are spilled on soil or in water sources/bodies. Exhaust generated by such machinery can be damaging to health of humans in close proximity if they are used in areas that are not adequately ventilated. In addition, care needs to be taken to ensure that water consumption for irrigation does not negatively impact aquatic ecosystems and irrigation runoff should be properly managed.	Medium risk and Negative Determination with Conditions
Dissemination of best-practices in agriculture (small-scale).	Care needs to be taken to ensure best practices supported by sub-awards guards against increased soil erosion, agricultural runoff; or improper disposal of organic and/or inorganic waste resulting in environmental contamination.	Low risk and Negative Determination with Conditions
Adaptation measures in fisheries and aquaculture.	Sub-award activities may support adaptation measures in near-shore fisheries, aquaculture, and marine breeding and restocking. Care must be taken to prevent adverse effects including introduction of noxious or invasive species, loss of native stocks, transmission of disease, predation and competition of native species and degradation to native habitats.	Medium risk and Negative Determination with Conditions
Purchase and/or use of small commodities such as agricultural and fishery inputs	Sub-award activities may include purchase and/or use of small commodities such as agricultural and fishery inputs. Care should be taken to ensure these inputs do not include pesticides, or genetically modified organisms (GMOs)	Low risk and Negative Determination with Conditions
Key Activity: Tourism and ecotourism		

Interventions	Brief Description	Risk Classification and Determination
Tourism and eco-tourism development that benefit coastal zone management	Activities could support eco-tourism and community-based ecotourism development. For tourism and ecotourism activities, it is important to consider the possible negative effects that can upset the goals of environmental sustainability. Specifically, care should be taken to ensure increased visitation doesn't contribute to increases in pollution, unsustainable resource consumption, unplanned development, water contamination, disruption of feeding and nesting wildlife sites, and other forms of environmental degradation,	Low Risk and Negative Determination with Conditions
Key Activity: Water resource management		
Support freshwater access	The delivery of freshwater resources in many Pacific countries currently falls well short of Millennium Development Goal (MDG) targets and water access is often exacerbated by the impacts of climate change. The extreme stress on water resources means that resources outside the traditional surface water and groundwater resources need development. Activities in water resource management will most likely support rainwater harvesting, which is considered low environmental risk. However, rainwater harvesting and other forms of water management activities should be monitored for mitigation.	Low Risk and Negative Determination with Conditions

4. RECOMMENDED MITIGATION ACTIONS (INCLUDING MONITORING AND EVALUATION)

4.1.Recommended IEE Determination

More than half of the anticipated activities covered within the Pacific-American Climate Fund should have little or no environmental impacts. Creation of a grant-making facility, and subgrant-supported activities in areas of technical assistance, training and information transfer that relate to coastal zone management, water resource management, disaster risk reduction and agriculture, will not have a direct significant impact on the environment. Thus, these are recommended for Categorical Exclusion pursuant to:

a) CFR 216.2(c)(2)(i), for activities involving education, technical assistance or training programs;
b) CFR 216.2(c)(2)(ii), for activities involving controlled experimentation exclusively for the purpose of research and field evaluation which are confined to small areas and carefully monitored;
c) CFR 216.2(c)(2)(iii), for activities involving analyses, studies, academic or research workshops and meetings; and
d) CFR 216.2(c)(2)(v), for activities involving document and information transfers.

However, certain sub-grant activities involving conservation and restoration, agriculture, fisheries, the purchase and/or use of small-scale agricultural or other motorized equipment for farming, irrigation or transport; tourism and eco-tourism development, and water resource management may have negative consequences if environmental considerations are not met. Thus, the resulting program design components are recommended for a Negative Determination with the following Conditions:

- All technical assistance, workshops, consultations, research, and recommendations for program designs in the previously mentioned categories will include Best Practices regarding sustainable use, including principles of environmental protection, impact mitigation and environment sustainability.
- For both low and medium risk small-scale activities, the Implementer, or sub-implementer if appropriate, will develop an Environmental Manual (EM) that will guide environmentally sound design for all activities, to be reviewed and approved by the COR and the MEO prior to implementation. The EM should: (1) establish environmental screening, selection and eligibility criteria, environmental review process; and (2) provide forms, like the Environmental Documentation Form, sample Environmental Mitigation and Monitoring Plans (EMMPs), standard conditions and reporting requirements, and references/links to guidelines and best practice acceptable to USAID and the local government. The EM will establish water quantity and quality monitoring procedures. The EM may also have an exclusion list, i.e. activities USAID will not fund as well as a list of activities, with thresholds/significance, which will require guidance from COR/MEO. Examples of activities that may appear on the exclusion list include activities that are proposed close to or in sensitive habitats, archaeological, historical and/or religious sites where caution and diligence should be exercised.
- The Pacific-American Climate Fund will not involve the procurement and or use of pesticides. If the procurement and or use of pesticide become necessary, a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) will be developed for review

and approval by the Mission Environment Officer (MEO) and the Bureau Environment Officer (BEO) prior to procurement and or use of pesticides.

- All activities that are classified as low and moderate risk will first require submittal and approval of an activity description including an evaluation of the environmental implications of the proposed project being developed through an Environmental Documentation Form. These documents must be approved by the Contracting Officer Representative (COR) and the Mission Environmental Officer, and if deemed necessary by the COR, an IEE will be required.
- An Environmental Mitigation and Monitoring Plan (EMMP) will be developed by the implementer and sub-grantee for all activities classified with a negative determination with conditions. This EMMP must be approved by the COR and MEO. Activities that will have potential impacts to the environment must be further reviewed by COR and MEO through environment review report that will include EMMP. Subsequently, if any of the activities are determined to have significant impacts on the environment that would result in a classification of high risk, the implementer will be required to decline from providing grant support for that activity.
- If pesticides are determined to be needed for agriculture activities funded under Pacific-American Climate Fund, a Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) must be reviewed and approved by the MEO and BEO.
- If, during implementation, activities are considered other than those described above, further environmental review will be conducted by the implementing partner, which will be cleared by the COR, MEO and if necessary the REA and BEO prior to activity implementation.
- Caution should be exercised when doing some site-specific activities that may require land acquisition, compensation and resettlement. If any land acquisition or resettlement is identified or possible, the implementer should immediately seek guidance from COR/MEO as a land acquisition, compensation and resettlement plan may be warranted as per World Bank Operational Policy 4.12.
- These conditions will be integrated in the procurement instruments (contract and/or grant agreement) and shall be reflected in the over-all work plan of the implementers and/or grantees, as appropriate. If necessary, the contract or agreement will require the preparation of an environmental mitigation and monitoring plan that will be reviewed and approved by the COR and the MEO.
- In accordance with ADS 204.3.9.(a), a due diligence investigation of the environmental record and practices of each partner in a Public-Private Partnership (PPP) will be made particularly an analysis of a partner's past record of environmental accountability and how it might affect the partner's specific plans under the PPP.

4.2. Mitigation, Monitoring, and Evaluation

After award and at the time of project launch, the COR together with the MEO will explain and advise the implementer on environmental compliance and the necessary reporting process. The conditions identified in this IEE will be integrated into the awards to implementing partners, which will require the development of an EMMP which will be prepared by the implementing partner and will be approved by the COR and the MEO. The EMMP will be developed at the project or activity level to monitor and implement the conditions stated above. The EMMP will include procedures for integrating environmental mitigation measures into the issuance and management of sub-grants, and the implementer will ensure that conditions stipulated in the

EMMP flow down as relevant to the sub-grantees. In addition, project work plans and budgets will specifically provide for the implementation of the EMMP. Performance management plans will also incorporate measures of EMMP implementation for review and approval of the COR. The implementer will employ an Environmental Impact Professional to assist with required environmental compliance measures and associated documentation.

4.3. Limitations of the IEE

This IEE does not cover activities involving:

1. Assistance for procurements (includes payment in kind, donations, guarantees of credit) or use (including handling, transport, fuel for transport, storage, mixing, loading, application, cleanup of spray equipment, and disposal) of pesticides (where pesticides cover all insecticides, fungicides, and rodenticides, etc. covered under the "Federal Insecticide, Fungicide, and Rodenticide Act" FIFRA) or activities involving procurement, transport, use, storage, or disposal of toxic materials, which will require preparation of a PERSUAP in accordance with Reg.216.3(2)(b)(1)-(2) in an amended IEE submitted to Asia/BEO for approval.
2. DCA or GDA programs.
3. Use of non-native or potentially invasive species will require additional analysis to be conducted.
4. Assistance, procurement or use of genetically modified organisms (GMOs), which would require preparation of biosafety assessment (review) in accordance ADS 201.3.12.2(b) in an amendment to the IEE approved by Asia BEO.
5. Procurement or use of Asbestos Containing Materials (ACM) (i.e., piping, roofing, etc.), Polychlorinated Biphenyl's (PCB) or other toxic/hazardous materials prohibited by USEPA as provide at http://www.epa.gov/asbestos and/or under international environmental agreements and conventions, e.g. Stockholm Convention on Persistent Organic Pollutants as provided at http://chm.pop.int

Any of these actions would require an amendment to the IEE duly approved by the Asia BEO.

5.0 Revisions

Pursuant to 22CFR216.3(a)(9), if new activities are added and/or information becomes available which indicates that environmental impact of activities to be funded by the Program might be "major" and the Program's effect "significant," the Negative Determination will be reviewed and revised by the originator of the project and submitted to the Bureau Environmental Officer for approval , if appropriate. The IEE will be amended and processed appropriately if there are major changes in the project or program or if significant new information becomes available which relates to the impact of the activities on the environment that was not considered in this IEE.

MSSION APPROVAL:

Drafter, OEECC	Cleared	Feb 22, 2013
	Michelle Wittenberger	Date
OEECC Office Chief	Cleared	March 8, 2013
	Rolf Anderson	Date
Deputy Mission Environmental Officer (D-MEO)	Cleared by Email	March 8, 2013
	Kerry Reeves	Date
Regional Environmental Advisor for Southeast Asia and the Pacific (REA)	Cleared by Email	March 11, 2013
	Aaron Brownwell	Date
Mission Director	Gloria Steele	3/25/13 Date

CONCURRENCE:
Bureau Environmental Officer/Asia — Robert Macleod — 3/26/13 Date

ANNEX 1 Supporting Country-level Data

1. Fiji

No comprehensive baseline environmental information is available for Fiji. A 2004 report from the University of the South Pacific ("Priority environmental concerns in Fiji," ISSN 1818-5614) outlines environmental problems in Fiji, reviews important environmental documents, completed consultations with stakeholders regarding environmental issues, and a collated and reviewed past, present and future projects. The environmental concerns drawn from the review were to be ranked into primary and secondary categories with recommendations on prospective focal areas for a pilot project. In general, guidelines on medical waste management and infection prevention protocols exist. The Awardee shall provide a plan by which any and all batteries associated with this award will be collected and properly disposed properly.

2. Kiribati

The Environment Act 1999 (2007 Amendments) is the primary environmental legislation of Kiribati which provides for the protection, restoration and enhancement of Kiribati's natural, social and cultural environment. The Act also gives power to the Environment Conservation Division of the Ministry of Environment, Land and Agriculture Development (ECD) for the administration of the environment including providing for sustainable development and implementing the Environment Regulations (2001). The Act outlines requirements for impact assessment and statements relating to development. Applications are to be made to the ECD for development approvals. This EMP is equivalent to the Environmental Impact Assessment required under the Environment Act 1999 (Part III). The civil works contractor(s) will be responsible for obtaining all necessary development environmental permits. Section 49 of the Environment Act 1999 (2007 amendments) empowers environment officers as Environment Inspectors to implement and enforce the Environment Act in Kiribati especially on South Tarawa. The Environment Inspectors carry out patrols on illegal activities such as sand and gravel mining and dumping of waste.

3. Marshall Islands

In 1988, the Coast Conservation Act (CCA) came into force empowering the Republic of the Marshall Islands (RMI) Environmental Protection Authority (EPA) as the enabling agency for coastal resource management. The need for a National Coastal Management Plan was been repeated in National Environmental Management Strategy (1992-96), Vision 2018 Document, and 2004-07 EPA Strategic Plan and numerous other national documents, both internal and external to the RMI government for the past fifteen years. In 2005, the RMI EPA conducted workgroups and built capacity to generate this report and enable its adoption in fulfillment of the CCA's directive to build the National Coastal Management Plan. In light of the diverse experiences across the RMI, it has become evident that a National Plan can find solutions for the coastal challenges in the RMI—and that cooperation with the private sector, civil society and local government are necessary avenues to fulfill the needs of improving the RMI's coasts. As well, long paper documents of plans at the national level accomplish little to resolve the serious threats to the coastal zone of the RMI, according to SPREP. In the CCA two sections are of particular importance: §309 of the Act requires that a permit procedure be established by the RMI EPA for "any development activity other than a prescribed development activity within the Coastal Zone except under the authority of a permit issued in that behalf by the Director," and

§320 requires for the Director to give direction regarding various activities associated with waste generation, other foreign matter and water quality within the Coastal Zone.

4. Papua New Guinea

The table below summarizes the main requirements of GOP for environmental management that will apply to CCAP.

Statute	Outline
Environmental Act 2000	Conservation of environment, improvement of environmental standards and control and mitigation of environmental pollution.
Environmental (Permits and Transitional) Regulations (EPR), 2002	Prescribes processes & requirements for obtaining Environmental Permit (EP) by regulations, an Inception Report and Environmental Impact Statement (EIS) must accompany the permit application. The Director of the Department of the Environment (DOE). Projects are classified according to impact on the environment
Mining Act 1992	Responsibilities or mining and quarries to Mineral Resources Authority but in practice to ensure public health for residents by providing primary and public health services, sanitation, water supply, vector and infectious disease control, etc.

The main provisions for environmental protection and pollution control in Papua New Guinea are contained in the Environmental Act (2000) and the Environmental Permits and Transitional) Regulations 2002 (EPR). This legislation also provides the principal mechanism for assessing and mitigating the environmental impacts of projects, both existing and proposed. Under the EPR projects are classified as Level 1, Level 2 or Level 3 to determine the level of environmental assessment and requirements involved. According to EPR 4 schedules show the main Project is Level 3 and the additional works are Level 2.1 An EIA was prepared for the main Project and approved, in principle in 2009. An environmental impact statement (EIS) must be prepared in the prescribed format and submitted to the Director of Environment (DOE) for approval in order to obtain the Environmental Permit.

Section 54 of the Environmental Act requires that the application for Environmental Permit must be accompanied by and Environmental Impact Statement (EIS) made to the DOE. Prior to the EIS and Inception Report (IR) with scope of the EIS should be agreed by the DOE Divisional Officer (60 days). Under the EPR, DEC has 30 days to respond to the application for Environmental Permit (EP) and EIS. Therefore there is a minimum of 90 days for the approval of the EIS and granting of the EP.

5. Solomon Islands

The principal agency charged with environmental management and monitoring responsibilities is ECD of the Department of Forest, Environment and Conservation (DFEC). At the time of writing this report in 2005, only three of the Division's thirteen staff positions were filled. Public Service approval was given to add four more staff in 2006. However, even this increase is insufficient to allow the Division to handle its mandated responsibilities across six major island

groups in nine provinces. Compounding the problem is a lack of clarity, even within ECD, about the limits and extent of its responsibilities.

Environmental management cannot be achieved by central government personnel alone. The Solomon Islands has a "Devolution Order" authorizing provincial governments to formulate their own regulations for devolved functions. Devolved environment-related functions include the following (among others): (i) tourism-related activities; (ii) establishment of sanctuaries for wild birds; (iii) timber agreements on customary land; (iv) management of river waters; and (v) agriculture and fishing.

Also at the provincial level, Town and Country Planning Boards are formed to undertake a range of planning, regulatory, and resource management functions. Unfortunately, in most cases, little has been done to empower provincial governments, either through the Devolution Order or the Planning Boards. Thus there is an "implementation gap" between the centrally-assigned functions and implementation of these functions at the local level.

Key Strengths/Successes	Key Weaknesses/Failures
Environmental Act of 1998 passed into law; has provisions for EIA	No clear understanding within Government of ECD mandate; no implementing regulations
National Capacity Self-Assessment, with assistance from UNDP/GEF may assess general capacities, as well as milestones achieved toward satisfying international environmental conventions	Significant gaps in data that are needed for effective environmental monitoring, planning, and management
With UNDP assistance, Cabinet has approved establishment of Solomon Islands Sustainable Development Advisory Committee (SISDAC)	No capacity for EIA review or environmental compliance monitoring
Initial communications as required under international conventions on climate change and land degradation (desertification) are completed	Poor communications and coordination, both within DFEC and with other Departments/Divisions
	Solomon Islands not party to important international conservation conventions (Ramsar, CITES)

6. Samoa

Three Samoan legal and statutory documents need to be considered in relation to the project. The legal requirements are Planning and Urban Management (Environmental Impact Assessment) Regulations 2007 (2007 Regulations) and the Planning and Urban Management Act 2004 (2004 Act). The statutory requirement is the five year plan Strategy for the Development of Samoa 2008 – 2012 (SDS). The 2004 Act was established 'to implement a framework for planning the use, development, management and protection of land in Samoa in the present and

long-term interests of all Samoans and for related interests.' The 2007 Regulations, which are pursuant to section 105 of the 2004 Act, provide the requirements to undertake an Environmental Impact Assessment (EIA) whether as a preliminary or comprehensive assessment. Samoan law (EIA Regulations, 2007) requires that all projects which might have a negative impact on the environment undergo a preliminary or comprehensive EIA, depending on significance and complexity of potential environmental impacts. However, at present, the available EIA guideline appears to be somewhat general and its requirement as described in more detail below appear to be less stringent than that of World Bank environmental and social safeguards.

The main agency responsible for environmental protection in Samoa is the Planning and Urban Management Agency (PUMA), which is the regulatory agency within the Ministry of Natural Resources, Environment, and Meteorology (MNREM). This Ministry is responsible for reviewing and developing guidelines for EIAs. With these requirements in mind, for those subprojects that might require an EIA, as determined under the screening and review process, a copy of the EIA report would be submitted to the MNREM for approval. As per Samoa's EIA guideline, the MNREM would have two weeks to review and comment on the EIA before the subproject can be approved. This would ensure that subprojects that might have potentially significant impacts and require more detailed study receive national level approval as well as community level approval. PUMA produced an EIA regulation in 2007 pursuant to section 105 of the Planning and Urban Management Act (2004). These regulations require the preparation of and EIA report for any public or private development proposal as set out in the EIA regulation and include PEAR (Preliminary Environmental Assessment Report). Two forms of EIA have been envisaged in the Regulations:

1. A Preliminary Environmental Assessment Report (PEAR) that might be required by the Agency for any development application to which any of the qualifying criteria specified in the EIA regulation apply, but which the agency considers is not likely to have a significant adverse impact on the environment; and
2. A Comprehensive Environmental Assessment Report (CEAR) that might be required for any development application to which any of the qualifying criteria specified in the EIA regulations apply, and which the Agency considers is likely to have a significant adverse impact on the environment.

The qualifying criteria for requirement of an EIA, specified in the guideline include adverse impacts: on people, an existing activity, building or land; on a place, species or habitat of environmental (including social and cultural) importance; in conjunction with natural hazard risks; on or in the coastal zone; on or in any waterway or aquifer; arising from the discharge of any contaminant or environmental pollutant; associated with land instability, coastal inundation, or flooding; on the landscape or amenity of an area; impacts on public infrastructure; on traffic or transportation; and on any other matter for consideration stated in Section 46 of the Act.

The vision for the Strategy for the Development of Samoa 2008 – 2012 (SDS) is – 'Improved Quality of Life for All'. The SDS has three social goals; 'Improved Education Outcomes, Improved Health Outcomes and Community Development: Improved Economic and Social Wellbeing and Improved Village Governance'.

7. Vanuatu

Key documents include:

- Environmental Management and Conservation Act (No. 12 of 2002)
- Water Resources Management Act

- Mines and Minerals Act
- Forestry Act
- Vanuatu National Conservation Strategy and Action Plan
- Vanuatu National Cultural Council Act 1985
- Public Roads Act
- Fisheries Act 1982, and Fisheries Regulations; and
- National Parks Act

Millennium Challenge Account previously established an implementing entity agreement with the Ministry of Lands to provide assistance in addressing any issues and requirements for permits identified during design and construction of the Efate Ring Road in 2008.

8. Tuvalu

The Environmental Protection Act (2008 edition) is the legislation which requires that all projects in the country shall undertake environmental assessment prior or during implementation. Although the Act is yet to be formally promulgated, the items in the Act regarding environmental assessment are already under implementation.

9. Tonga

Tonga has a well-established regulatory framework that provides measures to protect and preserve the environment from abuse, pollution and degradation, to manage the environment for sustainable development and to promote environmental awareness. Legislation concerning the protection and preservation of the environment is found in a number of Acts and is the responsibility of a number of different Ministries according to their focus. Amongst these, the following are the key legislative acts: Environmental Impact Assessment Act 2003, for which regulations have been drafted and are awaiting approval; Marine Pollution Prevention Act 2002; Parks and Reserves Act 1988; Fisheries Management Act 2002; Aquaculture Management Act 2003; Birds and Fish Preservation Act 1988; Public Health Act 1992. Copies of these Acts and subsidiary legislation are available online at http://legislation.to

The Ministry of Environment and Climate Change (MECC) is the principal agency responsible for the management of the environment, and in administering the environmentally related legislation in Tonga. It provides environmental assessments, reports and recommendations to the responsible Ministry, as well as being mandated under the Environmental Impact Assessment Act 2003 to require environmental impact assessments and impose conditions for development projects within Tonga. Accordingly, activities funded under the TSCP will follow the GOT's established procedures and associated guidelines established under the Environmental Assessment Act 2003, and environmental legislation of the relevant ministry.

The Environmental Impact Assessment Act 2003 is specifically concerned with ensuring development projects are managed, conducted and carried out sustainably and appropriately. It requires that all major development projects submit an appropriate environmental impact assessment report that will include a review of all relevant impact as determined by the MECC from time to time. The definition of major development projects is provided in Schedule 1 of this Act, and covers a broad range of major development activities such as tourism facilities, abattoirs, marinas, or mining activity. The MECC is also empowered with imposing appropriate mitigation measures on proposed development projects, in accordance with the outcomes of the environmental impact assessment reports. At this stage, the Regulations under this Act providing fuller procedural, compliance and penalty requirements have not yet been approved. As such, the

EIA requires only major development projects as defined in Schedule 1 of the Act, to undergo an environmental impact assessment. In practice, the MECC currently adopts the Regulations as guidelines. It works closely with GOT ministries in assessing development projects and has a process in place for categorising development projects as minor or major according to the likely impact. It also requires the implementing agency to identify any potential environmental risks or impacts, and to propose appropriate mitigation measures. Approval from the MECC is required under these guidelines in order that projects may proceed.
The MECC makes its recommendation for approval, deferral, mitigation, or cancellation of projects in relation to the powers of existing legislation (i.e. through the clauses under for example, the Fisheries Management Act 2002, rather than directly through its own DOE legislation).

Provisions for non-compliance with legislation are provided for in all environment-related legislation. Penalties include measures ranging from fines, to imprisonment or both, and are applicable to both individuals and companies.

10. Federated States of Micronesia

National laws can be found on www.smlaw.org/fsm/code/index.htm (eg, Title 23: Resource Conservation, Title 25: Environmental Protection) as well as national regulations (eg, Environmental Impact Assessment Regulations, Earthmoving Regulations). In addition each State has its own Constitution, Code and regulations.

Important environmental laws include National laws and regulations: Marine Resources Act 2002; Marine Resources Amendment Act 2001; Title 23. Resource Conservation; Chapter 1. Marine Species Preservation (§§ 101-116); Chapter 3. Endangered Species Act (§§ 301-317); Title 25. Environmental Protection; Subtitle 1 Trust Territory Environmental Quality Protection Act; Chapter 1. General Provisions (§§ 101-104); Chapter 2. Environmental Protection Board (§§ 201-208); Chapter 3. Enforcement (§§ 301-309); Chapter 4. District Advisory Boards (§§ 401-413) Subtitle 2 Federated State of Micronesia Environmental Protection Act; Chapter 5. General Provisions (§§ 501-503); Chapter 6. FSM Environmental Protection Board (§§ 606-610); and Chapter 7. Enforcement (§§ 701-708).

11. Republic of the Marshall Islands

Important environmental statutes include:

- Alternative Energy Fund Act 1989 [Title 35 Cap 3]
- Coast Conservation Act 1988 [Title 35 Cap 4]
- Endangered Species Act 1975 [Title 8 Cap 5]
- Littering Act 1982 [Title 35 Cap 2]
- Marine Mammal Protection Act 1990 [Title 33 Cap 5]
- National Environmental Protection Act 1984 [Title 35 Cap 1]
- Planning and Zoning Act [Title 10 Cap 2]
- Public Lands and Resources Act [Title 9 Cap 1]

Additional legal information may be found on the Pacific Islands Legal Information Institute website: http://www.paclii.org/

12. Palau

Section 3 of Article II of the Constitution of the Republic of Palau provides:

Major governmental powers ... may be delegated by treaty, compact, or other agreement between the sovereign nation or international organization, provided such treaty, compact or agreement shall be approved by not less than two-thirds (2/3) of the members of each house of the Olbiil Era Kelulau and by a majority of the votes cast in a nationwide referendum conducted for such purpose, provided, that any such agreement which authorizes use, testing, storage or disposal of nuclear, toxic chemical, gas or biological weapons intended for use in warfare shall require approval of not less than three-fourths (3/4) of the votes cast in such referendum.

Some relevant information:

Title 24 of the Code addresses Environmental Protection and is broken into the following Divisions:

DIVISION I ENVIRONMENTAL QUALITY

Chapter I Environmental Quality Protection Act
Chapter 2 Trust Territory Environmental Quality Protection Act

DIVISION II WILDLIFE PROTECTION

Chapter 10 Endangered Species Act
Chapter 12 Protected Sea Life
Chapter 13 Illegal Methods of Capture
Chapter 14 Protected Land Life

DIVISION III PRESERVES AND PROTECTED AREAS

Chapter 30 Ngerukewid Island Wildlife Preserve
Chapter 31 Ngerumekaol Spawning Area
Chapter 32 Natural Heritage Reserve System

Environmental Quality Protection Board (EQPB) Regulations

The purpose of the Environmental Quality Protection Act is to ensure protection of the environment while promoting sustainable economic development. The Act created the Environmental Quality Protection Board (EQPB), a semi-autonomous agency of the Republic, responsible for the protection and conservation of the environment. EQPB oversees regulations regarding: (1) Earthmoving, (2) Marine and Freshwater Quality (3) Pesticides (4) Environmental Impact Statements, (5) Air Pollution Control.